

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company COG OPERATING LLC	Contact Diane Kuykendall
Address 550 W. Texas, Suite 1300 Midland, TX 79701	Telephone No. 432-683-7443
Facility Name Jalmat Yates Unit #7	Facility Type Gas Well

Surface Owner Clay Osborne	Mineral Owner	Lease No. 301048
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LOCATION OF RELEASE

API# 3002 5097470000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	12	25S	36E	990	South	1650	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

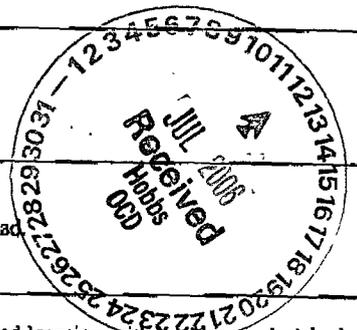
Type of Release Produced Water & Oil	Volume of Release 11 bbls	Volume Recovered None
Source of Release Wellhead connection	Date and Hour of Occurrence 6/12/06 prior to 10:00 am	Date and Hour of Discovery 6/12/06 10:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Hobbs NMOCD (female that answered phone) Donna Mull	
By Whom? Boyd Chesser	Date and Hour 6/12/2006 2:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The cable rod rotator broke and wrapped around the wellhead and broke off connection causing leak. Fixed wellhead.

Describe Area Affected and Cleanup Action Taken.*
Release of 1 bbls oil and 10 bbls water on location and all was absorbed into ground. Fixed the wellhead and cleaned location with backhoe and picked up contaminated soil.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.



Signature: <i>[Handwritten Signature]</i>	OIL CONSERVATION DIVISION	
Printed Name: Diane Kuykendall	Approved by District Supervisor: <i>[Handwritten Signature]</i>	
Title: Regulatory Analyst	Approval Date: 6-27-07	Expiration Date: 9-27-07
E-mail Address: dkuykendall@conchoresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 6/13/2006 Phone: 432-685-4372	SUBMIT F-154 C-141	

* Attach Additional Sheets If Necessary
incident - n PAC 0619940760
application - p PAC 0619941423
RP# 960